



County of Erie

MARK C. POLONCARZ

COMPTROLLER

August 13, 2009

Honorable Legislators
Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

Re: June 2009 Sales Tax

Dear Honorable Members:

Over the past several months I have provided your Honorable Body with periodic updates advising about the decline in sales tax receipts to the County in 2009 compared to 2008.

In May 2009, I warned that March 2009 sales tax receipts were down 12.35% compared to March 2008 and that total aggregate sales tax revenues were 3.07% below budget for the first three months of 2009. In June 2009 I warned that April 2009 sales tax receipts were down 8.98% compared to April 2008 and that total aggregate sales tax revenues were 6.01% below budget for the first four months of 2009. In July 2009, however, for May 2009 sales, sales tax receipts increased by 6.05% compared to the same period in 2008.

The County has received new 2009 sales tax data from the New York State Department of Taxation and Finance. That data reveals that for sales in June 2009 the County has seen a decrease of 15.94% compared to June 2008. Through June 2009, the County's year-to-date sales tax revenue is down 4.76% or \$9.2 million compared to the first six months of 2008. The County's amended 2009 Budget projects a decrease in sales tax revenues of just over 5% compared to the adopted 2009 Budget. While this negative trend is disturbing, it is not unexpected considering the national economy, and our sales tax revenue is still better than nearly every other county in New York, many of which are experiencing significant losses of revenues threatening their 2009 budgets.

Because the County disproportionately relies on sales tax revenue to cover our operations, close monitoring of all spending and revenues will continue to be necessary for the remainder of 2009. I will report to you as necessary on changes in the County's fiscal situation.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Mark C. Poloncarz".

Mark C. Poloncarz, Esq.
Erie County Comptroller

MCP/dt

cc: Christopher Collins, County Executive
Gregory Gach, Director of Budget and Management
Erie County Fiscal Stability Authority

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